REMARKS

Claims 1-6, all the claims originally pending in the application, stand rejected. The Examiner's objections and rejections under Section 112 have been withdrawn. Claim 1 is amended to provide consistency with pending claim 2 and does not involve the addition of new matter or raise new issues. Applicant would respectfully submit that all claims now are allowable and that the Examiner's rejection on the basis of prior art is overcome.

Claim Rejections - 35 U.S.C. § 103

Claims 1-6 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Riyuuou (JP Pub. 07-108888) in view of Suzuki (5,320,531). This rejection is traversed for at least the following reasons.

Applicant again notes that the generation of race course images is performed by two distinct structures:

First, an image is provided at the main unit 10 on a large display 13 by an image generator 16 under control of a race manager 14, as explained at page 7, lines 17-24; and

Second, an image is generated at each of a plurality of satellite terminals 20 on a respective display 33 in a virtual telescope 30, all under control of the race manager 14. The image generated at each display 33 is unique, as it is based upon (1) a detection of a position on the track to which the virtual telescope is pointed, which may use optical (page 8), mechanical (page 9) or other techniques and (2) the presentation of an image that is unique related to the image viewed through the respective virtual telescope and in synchronism with the running of the miniature running members that are being observed by the virtual telescope 30.

In the Amendment filed on January 20, 2004, Applicant noted that:

(1) Riyuuou teaches a race competition on a board 2 that is illuminated by overhead lighting 12 and captured by cameras 9, 10 and displayed on a common screen 4, but there does not appear to be any display at the terminals 3;

(2) the Examiner admits that Riyuuou does not teach that the participant is given computer generated graphic images;

(3) the Examiner must look to Suzuki for a teaching of a virtual race wagering game that uses computer images of actual racing objects to provide a realistic image to observers; but

(4) there is no virtual telescope of the race images in Suzuki.

The Examiner notes Applicant's arguments that a "virtual telescope" encompasses a variety of different viewing instruments and concludes that "Applicants language and arguments do not preclude Suzuki's disclosure of providing a viewing instrument to display the race for people that are to [*sic*, too] far to view the miniature characters." This position is unsupported by applicable law and fact.

First, under the *Graham v. John Deere* standards for obviousness (see MPEP 2141), the scope and contents of the prior art and the differences between the prior art and the claims at issue must be identified. Then a determination is made as to whether those differences would be obvious to one skilled in the relevant art. The test is not whether language and arguments "do not preclude" a prior art reference from providing a claimed structure. The prior art reference must affirmatively teach the features of the claimed invention, that is, it must suggest the desirability and thus the obviousness of the combination (Riyuuou and Suzuki) and there must be a reasonable expectation of success. The Examiner's language in framing the rejection clearly demonstrates the inability of the cited art to meet the *Graham* standards.

Second, with respect to the language of the claims, it should be noted that claim 1 expressly provides that at least one of the satellite terminals has a "virtual telescope including a built-in display showing to the player a computer graphic image which exhibits a state of the race performed on the race course as if the player observes the race therethrough." Nothing in the prior art provides such a tailored image to a player at individual terminals.

Claim 1 now on file clearly recites that the satellite terminal is "provided with a virtual telescope including built-in display..." The Examiner asserts that the computer graphic image disclosed in Suzuki can corresponded to the claimed virtual telescope. However, such assertion does not meet the claim language. In particular, such an image is not displayed at the satellite terminal, as claimed. Indeed, neither of Ryuou or Suzuki provides the race image (actual image or computer graphic image) at a respective satellite terminal. Instead, the image is displayed

only on the central large display (the display 4 in Ryuou and the display 11 in Suzuki). In both of the references, although each of the satellite terminals is provided with a display device, this device is used only to execute the betting operation and not to display the "state of the race performed on the race course as if the player observes the race therethrough."

In short, Applicant submits that the claims define the invention and are the measure of patentability over the prior art. The claims require that (1) at least one satellite terminal is (2) provided with a virtual telescope including a built-in display that (3) shows to the player a computer graphic image which (4) exhibits a state of the race performed on the race course (5) as if the player observes the race therethrough. At least limitations (2), (4) and (5) are not found in the prior art and serve as a basis for patentability. In the absence of these structural limitations, the Examiner's rejection must fail.

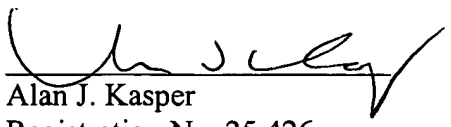
Applicant has amended Claim 1 in order to provide consistency with claim 2 now on file, which requires that there is a satellite terminal having no virtual telescope (the terminal disposed in the first tier).

The remainder of the claims are dependent on claim 1 and, accordingly, would be allowable for the reasons given with respect to claim 1. Moreover, these claims are patentable on their own, because either the specific limitation or the combination of features in the claim are not found in the prior art.

In view of the above, reconsideration and allowance of this application are now believed to be in order, and such actions are hereby solicited. If any points remain in issue which the Examiner feels may be best resolved through a personal or telephone interview, the Examiner is kindly requested to contact the undersigned at the telephone number listed below.

The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account.

Respectfully submitted,



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